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2015 APR -7 AM 10:43

Jocelyn Boyd,

This is an updated copy of the maintenance agreement between Upstate Water Resources and Cedar Creek Property Owners Association.

SC PUBLIC SERVICE  
COMMISSION

Cedar Creek owns the water system, and we are contracted to do daily maintenance as per this agreement.

We are filing this under 103-743 as requested by Willie and Chad.

Thank you,

Larry Schmid

Upstate Water Resources, Inc.

864-884-4900

STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

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CCPOA Water System Maintenance Agreement

The Cedar Creek Property Owners Association, hereinafter called the "CCPOA" and Upstate Water Resources, Inc., hereinafter called "Upstate Water" hereby agree to the following terms and conditions for a period of one (1) year commencing on January 1, 2014 and ending on December 31, 2014 subject to renewal by the parties as provided herein.

This agreement is authorized under the signed license agreement, dated March 30, 2000, between CCPOA and Upstate Water.

CCPOA's water system operates under a DHEC Non-Community Transient permit and the primary DHEC requirements include (1) chlorination of CCPOA's water to meet DHEC standards, (2) an annual DHEC on-site sanitation survey inspection and water testing, (3) daily on-site visits by a Class D water system operator to inspect and maintain the system, (4) completion of a daily activity log, (5) quarterly water quality sampling & testing and (6) periodic lead & copper testing. If conditions change at the Cedar Creek subdivision, DHEC may require a different type of water permit and/or additional sampling & testing.

**Terms and Conditions:**

- 1) **Upstate Water** agrees to service and maintain the CCPOA water system. Upstate Water will provide an operator, appropriately licensed by DHEC, to perform the following activities as required by DHEC or more often if needed for the efficient operation of the system:
  - a) On a daily basis, test the chlorine level to determine the total chlorine level in the water and adjust the feed rate as needed to meet DHEC water quality standards. Record the results and actions taken on the daily log.
  - b) On a daily basis, read the water flow meters and calculate the daily water usage. Record the results on the daily log.
  - c) On a daily basis, check the system pressure to ensure adequate pressure is maintained per DHEC standards. Make adjustments as necessary and record on the daily log.
  - d) As needed for the efficient and effective operation of the system, disassemble chemical feed systems and clean tubing, foot valves, check valves, and tanks. Reassemble system and calibrate pumps.
  - e) Perform blow offs as needed and in coordination with CCPOA at normal labor rates.
  - f) As needed for the efficient and effective operation of the system, check shut off valves in the system for proper operation.
  - g) Meet with representatives of DHEC for required inspections, VOC testing, bacteria testing and any other times as requested by DHEC.
  - h) Maintain the water system facilities in a neat, clean, and safe manner.

## CCPOA Water System Maintenance Agreement

- 2) **Upstate Water** agrees that, should the system require repairs or upgrades:
- a) Any repair which may exceed \$250.00 will first be approved in writing by the CCPOA Water System Coordinator or his/her designee.
  - b) Any maintenance work that both parties agree are not covered by this agreement will first be approved in writing by the CCPOA Water System Coordinator or his/her designee.
  - c) The cost of any increase in services required by DHEC or any other regulatory agency will be approved in writing by the CCPOA Water System Coordinator or his/her designee.
  - d) The maximum hourly labor rate is \$45.00 per hour per person.
  - e) For any materials and supplies provided by Upstate Water, Upstate Water will bill CCPOA at the normal retail cost of the materials and supplies. For any outside services used by Upstate Water, such as a subcontractor or an independent lab, Upstate Water will bill CCPOA at Upstate Water's actual cost.
- 3) **Upstate Water** agrees to:
- a) Bill CCPOA for maintenance (and any repair or service as described in Section 2) at the end of each month.
  - b) On a monthly basis, provide CCPOA with a copy of the previous month's log sheet(s) in electronic form.
  - c) Notify the CCPOA Water System Coordinator for the water system (or other Board Member as needed), of non-compliance items, boil water advisories, abnormal water usage, known water leaks, equipment malfunctions, or other issues or concerns that arise either internally or externally with DHEC or other regulatory agency. **Non-compliance items, boil water advisories, and other important items will be reported immediately.**
  - d) Respond to emergency and urgent situations in a timely manner, and respond to non-emergency or non-urgent repairs or maintenance within a reasonable time period.
  - e) Maintain in force a single limit policy of bodily injury and property damage liability insurance, with limits of not less than one million (\$1,000,000) dollars per occurrence, insuring Upstate against all liability arising out of the use, control, maintenance or repair of the water system by Upstate Water, and name the CCPOA as an additional insured.
  - f) Upstate Water agrees to indemnify, defend, and hold the CCPOA, and its members, directors, officers, agents and employees, harmless from and against all claims, causes of action, liability or judgments, including court costs and attorney's fees arising or alleged to arise from any negligence or willful misconduct of Upstate Water or Upstate Water's agents, employees or contractors occurring and/or originating in, about, or on the Water System or the property upon which it is located.

CCPOA Water System Maintenance Agreement


4) CCPOA agrees to:

- a) Designate and make available to Upstate Water, a CCPOA Board Member responsible for the water system (CCPOA Water System Coordinator). This individual will serve as the primary contact.
- b) Pay all property taxes assessed against the water system and insure the water system against loss or damage from fire or other casualty.
- c) Pay for the monthly power bills to run the water system.
- d) Remit payment for monthly invoices within 25 days of the date of invoice.
- e) When a new tap is required, notify Upstate Water before any grading or construction starts, and to advise the property owner that they are required to install an approved residential dual check valve assembly at the shut off valve before using the water. Additionally, CCPOA agrees to collect the fee from the property owner and approve installation of the tap.

5) Upstate Water agrees to provide a new tap for each lot when notified by the Association for a cost of \$350.00 as long as line is present and marked at property (includes the cost and installation of the required back-flow preventer). If Upstate Water is not notified prior to the start of grading or construction, additional fees may apply.

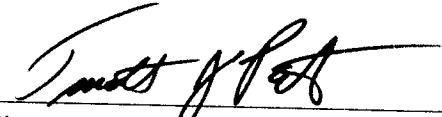
6) Fees & Renewal:

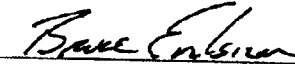
- a) Effective January 1, 2014, CCPOA agrees to pay Upstate Water a monthly maintenance fee of: \$1,127.52.
- b) This agreement will automatically renew on January 1<sup>st</sup> of each year; however, either party may initiate a renegotiation of this annual maintenance agreement if written notice is given on or before November 15<sup>th</sup>, or later if mutually agreed upon. If satisfactory performance is provided during the agreement year, the renewal fee will include a cost of living increase equal to the most current annual Consumer Price Index (CPI); however, an annual increase cannot exceed 8%.
  1. If unsatisfactory performance is noted by the CCPOA Board, Upstate Water will be notified in writing of the unsatisfactory performance and the withholding of the CPI increase. If a satisfactory response is provided by Upstate Water within 30 days, the CPI increase will be provided from the date the satisfactory action is provided.
  2. The withholding of a CPI increase does not preclude the use of Section 6 "Events of Default" and Section 7 "Cure of Default"

  
Larry Schmid, President  
Upstate Water Resources

Witness

Date

  
Tim Patrick, President  
CCPOA

  
Bruce Evilsizor, Water System Coordinator  
CCPOA

3-31-14  
Date